

Message Text

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PAGE 01 CARACA 07471 101734Z
ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
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E.O. 11652: NA
TAGS: EGEN PINT
SUBJECT: VENEZUELAN ECONOMIC ELITES

REF: CARACAS A-54

1. FOLLOWING IS THE SUMMARY OF THE REFERENCED AIRGRAM.
2. BEGIN SUMMARY: THIS STUDY DIVIDES THE LEADERS OF VENEZUELAN PRIVATE INDUSTRY INTO FOUR GROUPS: THE POWER ELITES, THE NOUVELLE ELITES, THE MANAGERIAL AND THE MISCELLANEOUS ELITES. IN VENEZUELA AGRICULTURE IS NOT THE ROUTE TO GREAT WEALTH. MOST OF THE WEALTHY FAMILIES THAT MAKE UP THE ELITES ARE OF RELATIVELY RECENT IMMIGRANT ORIGIN AND THEIR WEALTH IS BASED ON LIGHT MANUFACTURING, COMMERCE, BANKING AND SERVICE INDUSTRIES. THEY ARE CLOSELY INTERCONNECTED THROUGH BUSINESS, MARRIAGE AND BLOOD TIES AND ARE SOLIDIFYING THEIR CONTROL OF MUCH OF THE PRIVATE SECTOR.

ENTRY INTO THE ECONOMIC ELITES IS BASED ON SUCCESS IN PRIVATE ENTERPRISE. BECAUSE THE VENEZUELAN ECONOMY IS SO DYNAMIC THE COMPOSITION OF THE ELITES IS NOT STATIC AND CAN BE EXPECTED TO CHANGE OVER THE NEXT TEN YEARS.

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THE ELITES HAVE PROSPERED WITH DEMOCRATIC GOVERNMENT BUT PLAY NO ACTIVE PARTISAN ROLE. THEY DO, HOWEVER, HAVE PERSONAL RELATIONSHIPS WITH KEY MEMBERS OF MAJOR POLITICAL PARTIES. THE ELITES DO NOT TRY TO INFLUENCE PUBLIC POLICY EXCEPT WHEN THEIR INTERESTS ARE DIRECTLY THREATENED. WHEN THIS OCCURS, THE ELITES ACT PRIMARILY THROUGH PERSONAL RELATIONSHIPS RATHER THAN INSTITUTIONS THUS REFLECTING THE WEAKNESS OF INSTITUTIONS IN

VENEZUELAN SOCIETY AND THE CRUCIAL IMPORTANCE OF INDIVIDUAL
PERSONALITIES. THE RELATIONSHIP BETWEEN THE ELITES AND GOVERNMENT
IS NOW ONE OF QUIET COOPERATION BUT CONFRONTATION IS LIKELY
WITHIN THE NEXT FIVE YEARS WHEN A MORE STRINGENT INCOME TAX
BECOMES NECESSARY. END SUMMARY.
CROWLEY

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Message Attributes

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